

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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IN RE GREENSKY SECURITIES LITIGATION :
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**ORDER GRANTING IN PART
AND DENYING IN PART
MOTIONS TO DISMISS**

18 Civ. 11071 (AKH)

ALVIN K. HELLERSTEIN, U.S.D.J.:

In this securities class action, purchasers of common stock sold by GreenSky, Inc. (“GreenSky”) in its initial public offering (“IPO”), bring suit under the Securities Act of 1933 (the “Securities Act”) against GreenSky, GreenSky officers and directors, and underwriters who participated in the May 25, 2018 IPO. Plaintiffs’ core claim is that GreenSky, in its offering documents, failed adequately to disclose material changes in the composition of GreenSky’s business, in violation of Sections 11, 12(a)(2), and 15 of the Securities Act, *see* 15 U.S.C. §§ 77k, 77l(a)(2), 77o, and in violation of Items 303 and 503 of Regulation S-K, *see* 17 C.F.R. §§ 229.303, 229.503(c).

On July 3, 2019, both (1) GreenSky officers and directors and (2) underwriters involved in the IPO, moved to dismiss the second amended complaint for failure to state a claim under Federal Rule of Civil Procedure 12(b)(6).

I heard oral argument on these motions to dismiss on November 25, 2019. For the reasons stated on the record, the motions are denied. However, as to plaintiff Employees’ Retirement System of the City of Baton Rouge and Parish of East Baton Rouge’s claims under Section 12(a)(2) of the Securities Act of 1933, the motion to dismiss is granted because the absence of causation is clear.

Defendants shall file an answer by January 13, 2020. The parties shall attend a case management conference on January 23, 2020, at 2:30 p.m. to chart further progress in this case. The Clerk is hereby directed to close the open motions (ECF Nos. 89, 92, 99, 101).

SO ORDERED.

Dated:

November ²⁶ 2019
New York, New York


ALVIN K. HELLERSTEIN
United States District Judge